Appendix VIII

Establishing Program/Project/Product Management Offices

Point of Contact: Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 2511 Jefferson Davis Highway, ATTN: SAAL-ZAC (Suite 10100), Alexandria, VA 22202-3911

Introduction and Purpose

This Appendix provides the guidance, criteria, organizational structure and process governing management of Army acquisition programs and establishment of a Program/Project/Product Management Office (PMO) position with responsibility for managing those programs.

Definition

Program—As used herein, an acquisition program is defined as any directed, funded effort designed to provide a new or improved materiel capability in response to a validated need. This applies to a weapons system, automated information system or any other materiel acquisition that has been referred to centralized management by a PM.

General Discussion

An acquisition program is designated for management by a PM when intensive centralized management of assigned missions, responsibilities, and authorities is required. Criteria and factors contributing to a program's designation for centralized management are provided in paragraph 3.3.6.4 of the Pamphlet. An acquisition program may be further designated for oversight by a Program Executive Officer (PEO) / Deputy for Systems Acquisition / PM when extension of the Army Acquisition Executive's (AAEs) dedicated acquisition oversight is required. The PM, as the Headquarters, Department of the Army (HQDA) management authority, manages and executes the total development, acquisition, system integration and fielding of an assigned program within approved cost, schedule, performance, and support requirements.

The title, "Program Manager," "Project Manager," "Product Manager" (PM) is used to identify only those individuals whose position is designated and approved by the AAE. A PM is a HQDA board-selected manager for an acquisition program and may be subordinate to either the AAE, a PEO, a Materiel Command Commander, a Deputy for Systems Acquisition (DSA), or another PM.

PM managed programs are categorized as either PEO Managed, Direct Reporting, or Non-PEO Managed. A PEO Managed program resides within the PEO structure and is managed by a PM subordinated to a PEO. Direct Reporting PM managed programs reside with PMs reporting directly to the AAE. Non-PEO Managed programs reside within the Non-PEO structure and are managed by PMs subordinate to MACOM, MSC Commanders, or for a DSA.

Guidance

Centralized management by a PM is mandatory when an acquisition program is designated as Acquisition Category (ACAT) I / ACAT IA, ACAT II, or ACAT III.

- 1. ACAT I and ACAT IA programs are managed by a PM who reports to the AAE either directly or through a PEO. The Under Secretary of Defense, Acquisition and Technology (USD (A&T)) designates MDAP programs as ACAT ID or IC. The Assistant Secretary of Defense, Command, Control, Communications, and Intelligence (ASD (C3I)) designates Major Automated Information System (MAIS) programs as ACAT IAM or IAC.
- 2. ACAT II programs are managed by a PM who reports to the AAE directly, through a PEO, through a Materiel Command Commander, or DSA as designated by the AAE.
- 3. ACAT III programs are managed by a PM who reports to a PEO, a Materiel Command Commander, or DSA as designated by the AAE.
- 4. ACAT IV programs are managed by an Army systems, logistics, or materiel command (MSC) systems manager rather than a PM. The designation procedures of an ACAT IV systems manager are left to the appropriate MSC.

General Criteria and Factors for Establishing a PMO

An acquisition program must have an approved Mission Needs Statement and a favorable Milestone decision, usually Milestone I, to be considered for centralized management by a PM. In addition, one or more of the following factors will contribute to the decision to establish a PM or assign a program to an existing PM:

- 1. Program operation and support cost, when compared to total life cycle equipment costs, are of such magnitude as to warrant centralized management.
 - 2. Program has significant impact on U.S. military posture.
 - 3. Program is required to satisfy an urgent requirement.
 - 4. Program involves unusual organizational complexity, technological advancement, or interface control.
 - 5. Program presents unusual difficulties that require centralized management.
 - 6. Program requires extensive interdepartmental, national, or international coordination or support.
 - 7. Program has significant Congressional, Department of Defense, or Department of the Army interest.

The criteria and factors above are equally applicable to all acquisition programs with the understanding that each AIS program decision will be reviewed on a case-by-case basis with consideration for the unique aspects of AIS programs.

Conditions for Establishing a Program Manager

An acquisition program is designated for management by a Program Manager (General Officer or Senior Executive Service civilian) when one or more of the following conditions exist:

- 1. The program requires centralized direction/coordination or two or more related developmental readiness efforts, projects, or products and each involves unusual organizational complexity, technological advancement, and/or interface control.
- 2. The program entails performance of a broad mission over a protracted period of time, is highly complex in nature, and involves substantial resources.
- 3. The development and deployment of the program significantly influences elements of national interest, other than purely military, for an extended period of time.
- 4. The program impacts the U.S. military posture greater than would normally warrant establishment of a Project Manager.

Conditions for Establishing a Project Manager

An acquisition program is designated for management by a Project Manager (Colonel or GS-15 civilian) when the program requires consideration of a broad array of factors such as mission critically; urgency of need; Congressional, DoD, or Army interest; organizational or technical complexity; and the system's life cycle costs.

Conditions for Establishing a Product Manager

An acquisition program will be designated for management by a Product Manager (Lieutenant Colonel or GS-14 civilian) based on the same criteria used for project management with the discriminating factors being weighted by such things as mission priorities, overall PM organizational structure, and relative program costs.

Preparation and Procedures for Establishing a PMO

The AAE is the approval authority for designating a program for intensive centralized management by a PM and for establishing the supporting PMO.

Requests by the materiel developer (MATDEV) or functional proponent for AIS to designate an acquisition program for intensive centralized management by a PM is submitted to the Assistant Secretary of the Army, Acquisition, Logistics and Technology (ASA(ALT)), ATTN: SAAL-ZAC. Requests may be submitted at any time and, depending on when received, will be treated as either an in-cycle or out-of-cycle request. Information supporting the requests is the same in both cases but the approval process will vary.

SAAL-ZAC will review in-cycle requests and develop the ASA(ALT) position for presentation to the PM General Officer Steering Committee (PM GOSC) as part of the annual review of PMs scheduled for replacement. The GOSC will then make its recommendations to the AAE. Out-of-cycle requests are reviewed by SAAL-ZAC with the position being developed and coordinated with the OASA(ALT) principals for concurrence. The recommendation is then presented to the AAE for approval. SAAL-ZAC develops and issues all tasks and directions to PEOs/MATDEVs to execute AAEs decisions to establish a PMO. SAAL-ZAC also notifies the USD(A&T) or the ASD (C3I) of the AAEs decision to establish a direct reporting PM.

The request should include the following information prepared in the formats provided herein.

- 1. Documentation of a favorable Milestone decision, usually Milestone I.
- 2. A narrative explaining why intensive centralized management is necessary in accordance with the criteria and conditions listed above. Proposals for programs that are not ACAT I/ACAT IA or ACAT II should be submitted only after all other management options are analyzed and rejected.
- 3. A justification that the proposed PM should be military or civilian and the rank or proposed grade level.
- 4. Estimated program funding by appropriation type (e.g., Research, Development, Test and Evaluation; Procurement; and Operations and Maintenance, Army (RDTE, PROC, and OMA)) for the Future Years Defense Plan.
- 5. The event or estimated date when the program will transition to a less intensive form of management. A discussion on transitioning programs from centralized management to functional management is in Appendix IX—Transitioning Systems From PM Centralized Management to Functional Management.

Request for a new PMO should also include a proposed manpower document and matrix support plan providing information as to how a management office to support the new Program/Project/Product Manager would be established. The information identifies the PMO core and matrix support manpower requirements and the source of those requirements. Current guidance is that total Army PM resource levels for manpower will realize zero growth. The PEO/MATDEV requesting a new PMO also identifies the PMO that will be disestablished to accommodate the new establishment.

Specific forms supporting each request are:

- 1. Program/Project/Product Manager Selection Criteria (Figure VIII-1)
- 2. Program Summary Sheet (Figure VIII-2)
- 3. Other Significant Program Information (Figure VIII-3)
- 4. Acquisition Position Restricted To Military Only (Use DD Form 2589, Sep 91)
- 5. Proposed organizational structure charts.

PM Chartering

Charters are issued to all centrally selected PMs, regardless of ACAT. The AAE creates and signs the charters. After signature, charters are forwarded to the appropriate PEO or Major Command (MACOM) Commander for signature and presentation. This process reinforces the chain of authority from the AAE through the PEO/MACOM Commander to the individual PM.

PROGRAM/PROJECT/PRODUCT MANAGER SELECTION CRITERIA SHEET

PM Name

- 1. Brief description of program (One paragraph)
- 2. Brief description of Program/Project/Product Manager's responsibilities (One paragraph)
- 3. Desirable Characteristics
 - a. Military Education
 - b. Civilian Education
 - c. Experience
 - d. Security Clearance
- e. Branch/Functional Area/Branch/Series (Use of branch/functional Area designators to define the requisites of the position requires PEO/General Officer justification.)
 - f. Other
 - 4. Administrative Data
 - a. Duty Station (Include the PMs UIC)
 - b. MAPL (If position is already established)
 - c. Report Date

Figure VIII-1. Sample Format for the Program/Project/Product Manager Selection Criteria

PROGRAM SUMMARY SHEET

PEO/DSA/MATERIEL						
COMMANDINCUMBENT:		ROT	ΈΔΤΙΩΝ ΠΔΤΙ			
		NEV	V START DA	-· TE·		
MISSION: (Brief description))	1404	V OTAIN DA	1 has		
ACAT LEVEL (I/II/III)						
PROGRAM MILESTONES:						
I:						
 II:						
III:						
IV:						
PROGRAM FUNDING (FY99	9-04 POM L	JPDATE):				
MDEP:						
PE/PROJ/SSN	_,,,,,					
NUMBER	FY99	FY00	FY01	FY02	FY03	FY04
RDTE						
PROC						
OMA						
TOTAL						
MANPOWER END STRENG						
CORE	MILITARY					
CO-LOCATED MATRIX:	MILITARY		CIVILIAN			
CONTRACTOR SUPPORT	CO-LC	CATED	NC	N CO-LOCA	ATED	

- 2. If more than one project shares a funding line, provide only the funding profile (breakout by PE/Project/SSN) for the PM position listed on the summary sheet. Identify customer funding separately.

Figure VIII-2. Sample Format for the Program Summary Sheet

OTHER SIGNIFICANT PROGRAM INFORMATION

- 1. Briefly address the following (if applicable):
- a. Significant Congressional, Office of the Secretary of Defense, and/or Department of Army interests.
 - b. Significant impact on military posture and readiness.
 - c. Extensive interdepartmental, national or international coordination.
 - d. Unusual organizational complexity, technological advancement of interface controls.
 - e. Unusual difficulties requiring centralized management.
 - List the systems currently managed by the PM.

PM positions will be competed using the Best-Qualified PM Selection Board Process (compete military and civilian head-to-head). If you wish to reserve your position for fill by military, complete and attach a DD Form 2589.

Figure VIII-3. Program Information Supporting Requests to Establish a Program/Project/Product Manager

Appendix IX

Transitioning Systems From PM Centralized Management to Functional Management

Point of Contact: Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 2511 Jefferson Davis Highway, ATTN: SAAL-ZAC (Suite 10100), Alexandria, VA 22202-3911

Introduction and Purpose

This Appendix provides the guidance, procedures and format for transitioning weapon/automated information system programs from centralized management of a Program/Project/Product Manager (PM) to the functional management of an Army systems, logistics, or material command (Major Subordinate Command (MSC)).

Any agreement to transfer management responsibility for an acquisition program from centralized management by a PM to functional management by a MSC is reviewed and approved by the Army Acquisition Executive (AAE). For ACAT ID programs, the Under Secretary of Defense, Acquisition and Technology (USD(A&T) also reviews and approves the transition to functional management. The Assistant Secretary of Defense, Command, Control, Communications, and Intelligence (ASD(C3I)) reviews and approves Acquisition Category (ACAT) IAM programs for transition to functional management.

The AAE (SAAL-ZAC) reviews and approves a centrally managed program for transition to functional management six months after Initial Operational Capability (IOC) is achieved and every six months thereafter until the decision is made to transition or whenever the incumbent PM completes his/her tour.

Definition

Program—As used herein, an acquisition program or program is defined as any directed, funded effort designed to provide a new or improved materiel capability in response to a validated need. This applies to a weapons system, automated information system or any other materiel acquisition that has been referred to centralized management by a PM.

Transition Prerequisites, Factors and Criteria

Prerequisites for transitioning a program to functional management are that the program shall, at a minimum, have passed IOC, achieved full rate of production, and be logistically supportable as planned.

In addition to the foregoing prerequisites, one or more of the factors and criteria identified below also contributes to the decision to transition a program from centralized management to functional management.

- Materiel Fielding
 —Total Package Fielding Program for initial fielding is complete. Materiel Fielding Plans
 (MFPs) are complete. Program Supportability Strategy is complete without adverse impact on materiel
 fielding. The program is logistically supportable as planned. A full or conditional release is approved.
- Automated Information System (AIS) Fielding—AIS program fielding is well underway. Hardware and software are stable. Fielding teams can accomplish the mission working for the functional manager.
- Production—The program is in mature, stable production; does not anticipate additional technical risk;
 and does not include significant foreign military sales (FMS) activity.
- Configuration Management—The program is not subject to any major pre-planned product improvement or block upgrades that meet the dollar threshold for PM management. Modification kits are developed and have achieved stable production and application for major approved modifications.
- Human Systems Integration—All major issues concerning human factors engineering; systems safety; health hazards; or manpower, personnel and training are resolved.
- Training System—Training equipment is in place and certified. The training base is fully operational and meets training requirements.
- Provisioning—Long-term provisioning requirements are established and funding plans are in place.
- Operational Readiness, Support, and Training Objectives—Objectives are achieved.

- Test and Evaluation/Product Assurance—Quality assurance program is acceptable; all major Test Incident Reports are resolved; and Test, Measurement, and Diagnostic Equipment (TMDE) is in place and calibrated.
- Threat—The threat that the program is designed to counter is stable with no significant change expected.
- Congressional/DoD/DA Issues and Interest—Issues are satisfactorily resolved and/or there is limited or no Congressional/Department of Defense (DoD)/Department of the Army (DA) interest.
- Financial Expenditures—Risks associated with expenditures are minimal; funding plans, programs, and budgets are in place; and future funding is programmed and stable.
- Environmental requirements—National Environmental Policy Act (NEPA) documents (Environmental Assessment or Environmental Impact Statement) are complete and there are no unresolved/uncontrolled environmental hazards remaining.
- Technical Data Package—Technical Data Package (TDP) and Performance Specifications are stable, verified, and complete.
- Claims—Claims and contractor litigation issues linked to prior program phases are identified.

Preparation and Procedure

When the decision to transition a program from PM centralized management to MSC functional management has been made, the PM initiates the transition plan in accordance with the format provided at Figure IX-1. The plan is prepared in coordination with the gaining organization to which management responsibility will be transferred. The PM and gaining organization work through several programmatic areas that influence the effectiveness of the transition. Examples of the programmatic areas include funding, systems obsolescence, transfer of functional expertise, systems security, configuration management, and environmental program compliance. The plan should be submitted to the AAE / Milestone Decision Authority (MDA) for approval at least one year prior to the effective date of transition.

The Program Executive Officer (PEO) / Materiel Developer (MATDEV) and gaining organization coordinate on all aspects of the plan ensuring that the proper distribution of assets belonging to the program, including manpower spaces and personnel, is delineated in the plan. In the event that the PEO/MATDEV and gaining organization are unable to reach an agreement on distribution of assets, including manpower spaces, resolution is made at the Headquarters, Department of the Army (SAAL-ZAC).

SAAL-ZAC reviews the plan prior to approval by a MDA other than the AAE.

SAAL-ZAC initiates action to notify the USD(A&T) or ASD(C3I) of the proposed plan and gain their concurrence in the transition of ACAT ID or ACAT IAM programs to functional management.

When the AAE is the MDA, SAAL-ZAC reviews and coordinates all proposals for the transition of programs or PM Offices (PMOs) to functional management and provides recommendations to the AAE. Once the AAE makes the decision to transition, Army Acquisition Executive Support Agency (AAESA) develops and issues all tasks and direction to the PEOs and MATDEVs necessary to execute the AAEs decision. Unless the AAE directs a change, the program transitions to functional management on the approved date in accordance with the transition plan.

The PEO/MATDEV is responsible for ensuring that the planning, preparation and tracking of the execution of transition activities result in an orderly program transition.

Sample Format Transition Plan

- 1. Purpose. Indicate name of program/system(s) to transition, gaining command, and the effective date.
- 2. Program/System Description. Include function and technical description of the program/system to transition.
 - 3. Program Status. Include the life cycle phase.
- **4. Organizational Responsibilities.** Identify those management responsibilities and tasks that the gaining organization will need to continue after transition. When appropriate, address any provisions required to facilitate the transition of the program/system from PM management to functional management. Areas to be addressed in this paragraph include the following:

Item Documentation and Records

Configuration Management

Engineering Responsibility, Engineering Data and Technical Data Package

Logistics Support

Software Fielding, Replication, Distribution, and Maintenance

Transportation and Packaging

Product Assurance Responsibility

Safety

Human Systems Integration

Security Classification Guidance

Environmental Documentation

- 5. Assumptions.
- **6. Contract Status.** Open contracts/contractor(s)/time to completion/contract amount(s)/type dollars. Also include description of procurement activities, status of contracts, and contract-related responsibilities pertinent to the transition process.
- 7. Funding summary. RDT&E/Procurement/OMA/Future Year Defense Plan. Include portrayal of the overall budgeting and funding to include funds necessary for transition of the program/PMO and any anticipated future funding needs.
- **8. Personnel Summary.** Include proposed disposition of all manpower spaces and personnel involved in the transition. When appropriate, include the schedule of proposed draw down of manpower spaces. Provide the personnel summary in the following formats:

TRANSFER MILITARY: (Current* Authorized) (On Board) (Required After**)

* Indicate if ODP/MAPL supported

TRANSFER CIVILIAN: (Current Authorized) (On Board Authorized) (Required After**)

** Identify the functions (as stated in item 4) of all personnel resources required after transition.

Figure IX-1. Sample Format for Program Transition Plan

FROM: TDA Para/Line: (Name)(Grade)(MOS/Series)(Branch/Pay Branch)
(PRC) (MAPL Number)

- TO: TDA Para/Line: (Name)(Grade)(MOS/Series)(Branch/Pay Branch)(PRC)(MAPL Number)
- **9. Plan For Transition Actions/Milestones.** Document the transition process. Identify tasks and milestones for activities involved in transition.
- 10. Agreements And Commitments. Identify any Memoranda of Agreement/Understanding that supports the program/system being transitioned.

COORDINATION:	
(PEO/Materiel Developer)	(Commander, MSC/Gaining Organization)
, ,	(Sommander, Moo/Saining Organization)
Automated Information Systems:	
	(Functional Proponent)
Headquarters, Department of the Army Review:	
	(ASA(ALT)/SAAL-ZAC)
APPROVAL:	
(Army Acquisition	on Executive)
(Milestone Decision Auth Figure IX-1. Sample Format for Pi	nority other than AAE) rogram Transition Plan—Continued

Appendix X

Disestablishing Program/Project/Product Management Offices

Point of Contact: Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 2511 Jefferson Davis Highway, ATTN: SAAL-ZAC (Suite 10100), Alexandria, VA 22202-3911

Introduction and Purpose

This Appendix provides the guidance, criteria, procedures, and format for disestablishing a Program/Project/Product Management Office (PMO).

Guidance

Disestablishment of a PMO occurs after management responsibility for all assigned programs have been either transition to functional management or terminated, or when directed by the Army Acquisition Executive (AAE). When a PM is responsible for more than one program, the successful transition or termination of one program will not result in PMO disestablishment provided the remaining program(s) warrant continued centralized management. AAE approval of PMO disestablishment is mandatory for both Program Executive Officer (PEO) and Non-PEO managed programs.

The Under Secretary of Defense, Acquisition and Technology (USD(A&T)) concurrence with the disestablishment of Acquisition Category (ACAT) ID PMOs and the Assistant Secretary of Defense, Command, Control, Communications, and Intelligence (ASD(C3I)) concurrence with the disestablishment of ACAT IAM PMOs is also necessary.

The AAE (SAAL-ZAC) reviews a PMO for disestablishment when the program is in mature, stable production with no anticipated additional technical risk or when the PM position is submitted to the Colonel or Lieutenant Colonel PM Selection Board to fill an anticipated vacancy.

Criteria

A PMO is disestablished when any of the following criteria exists:

- The program objectives are achieved and the provisions of the transition plan are met.
- 2. The program objectives cannot be achieved.
- 3. The program objectives no longer meet the threat.
- 4. The technology no longer meets the operational requirement or is no longer economically supportable.
 - 5. Funding support for the program is withdrawn.

A PMO may be disestablished when technology does not reflect continuing maturation and further centralized management is no longer warranted.

Procedures

Discrete actions to disestablish a PMO and the lead agency for each are:

- Development of an approved PMO disestablishment/termination plan (PM lead).
- 2. Execute the plan (PM lead; the Army Acquisition Executive Support Agency (AAESA) and gaining system, logistics, or material command support).
- 3. Financial closeout or transfer of residual financial responsibility to gaining organization in accordance with the plan.
- 4. Disposition of manpower spaces and release or re-assignment of PMO personnel in accordance with the plan (AAESA lead).
 - 5. Turnover of facilities, permanent documents, and documents of significant historical value (PM lead).
 - 6. Disposition of PM owned wholesale (dormant) stock (PM lead).
- 7. Message disestablishing the PMO and identifying disposition responsibility for residual functions is released (AAESA lead).

When the decision is made to terminate a program and to disestablish the associated PMO, the PEO / Materiel Developer (MATDEV) initiates the disestablishment plan in accordance with the sample format provided at Figure X-1. The plan is prepared in coordination with the gaining system, logistic, or materiel command to which management responsibility will transfer. The plan is forwarded to the AAE at least six months

prior to the proposed effective date for disestablishment. Detailed procedures for PMO disestablishment should be tailored to the situation within the affected MATDEV and be reflected in the plan.

SAAL-ZAC reviews and coordinates all proposals for the disestablishment of PMOs and provides recommendations to the AAE. All tasks and directions to the PEOs/MATDEVs to execute the AAEs decision to disestablishment a PMO are developed and issued by SAAL-ZAC.

SAAL-ZAC initiates action to notify the USD (A&T) or ASD (C3I) of and gain their concurrence in disestablishment of ACAT ID or ACAT IAM PMOs.

Concurrently with initiation of the plan, the PM should report excess stock to the appropriate commodity managers for disposition and ensure arrangements are made for disposal/transfer of that stock.

Sample Format Disestablishing Program/Project/Product Management Offices

- 1. Purpose. Indicate name of the Program/Project/Product Management Office, gaining command, and the effective date for disestablishment.
- 2. Program/System Description. Include function and technical description of the program/system to be terminated. Include the identification of salvageable technologies and other deliverables and any other pertinent issues that require approval.
- 3. Program Status. Include the life cycle phase.
- 4. Organizational Responsibilities. Identify those management responsibilities and tasks that the gaining organization will need to continue after disestablishment/termination. When appropriate, address any provisions required to facilitate the termination of the program/system from centralized management. Areas to be addressed in this paragraph include the following:

Item Documentation and Records

Configuration Management

Engineering Responsibility, Engineering Data and Technical Data Package

Logistics Support

Software Fielding, Replication, Distribution, and Maintenance

Transportation and Packaging

Product Assurance Responsibility

Safety

Human Systems Integration

Security Classification Guidance

Environmental Documentation

5. Assumptions.

- **6. Contract Status.** Open contracts/contractor(s)/time to completion/contract amount(s)/type dollars. Also include description of procurement activities, status of contracts, and contract-related responsibilities pertinent to the disestablishment process. Address termination and/or modification of existing contracts to include termination costs and unliquidated obligations.
- 7. Funding summary. RDT&E/Procurement/OMA/Future Year Defense Plan. Include portrayal of the overall budgeting and funding to include funds necessary for program termination, PMO disestablishment, and any other anticipated future funding needs. Establish a timetable for withdrawal of program funds and address the status of funding actions that have an actual or contingent liability.
- **8. Personnel Summary.** Include proposed disposition of all manpower spaces and personnel involved in the disestablishment including those required for completion of closeout activities and those available for reassignment. When appropriate, include the schedule of proposed draw down of manpower spaces. Provide the personnel summary in the following formats:

MILITARY: (Current* Authorized)(On Board)(Required After**)

CIVILIAN: (Current Authorized)(On Board Authorized)(Required After**

Figure X-1. Sample Format Disestablishing Program/Project/Product

Management Offices

^{*} Indicate if ODP/MAPL supported

^{**} Identify the functions (as stated in item 4) of all personnel resources required after disestablishment.

FROM: TDA Para/Line: (Name)(Grade)(MOS/Series)(Branch/Pay Branch)

(PRC) (MAPL Number)

TO: TDA Para/Line: (Name)(Grade)(MOS/Series)(Branch/Pay Branch)(PRC)

(MAPL Number)

- **9. Plan For Disestablishment Actions/Milestones.** Document the disestablishment process. Identify tasks and milestones for activities involved in disestablishing the PMO.
- **10. Agreements And Commitments.** Identify any Memoranda of Agreement/Understanding that supports the PMO and/or program/system being disestablished. Address withdrawal from any agreement or understanding including international programs.

COORDINATION:	
(PEO/Materiel Developer)	(Commander, MSC/Gaining Organization)
Automated Information Systems:	,
-	(Functional Proponent)
Headquarters, Department of the Army Review:	
· ·	(ASA(ALT)/SAAL-ZAC)
APPROVAL:	
(Army Acquisition	on Executive)
(Milestone Decision Auth	ority other than AAE)

Figure X-1. Sample Format Disestablishing Program/Project/Product Management Offices—Continued

Appendix XI Terminating A Program

Point of Contact: Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 2511 Jefferson Davis Highway, ATTN: SAAL-ZAC (Suite 10100), Alexandria, VA 22202-3911

Introduction and Purpose

This Appendix provides the guidance, criteria, procedures and formats for terminating Program Executive Officer (PEO)/Materiel Developer (MATDEV) managed acquisition programs from centralized management.

Definition

Program—As used herein, an acquisition program or program is defined as any directed, funded effort designed to provide a new or improved materiel capability in response to a validated need. This applies to a weapons system, automated information system or any other materiel acquisition that has been referred to centralized management by a Program Manager (PM).

Guidance

The appropriate Headquarters, Department of the Army (HQDA) staff element having program oversight (in other words, the Deputy for Systems Management and Horizontal Technology Integration, the Deputy of Combat Service Support, or the Director of Information Systems for Command, Control, Communications, and Computers) accomplishes program termination.

When terminated, the program may be returned to a technology-based command for further development; transferred to an Army systems, logistics, or material command to complete the close-out process; or retained in the PEO/MATDEV structure for continued centralized management but without the identity of a separate acquisition program. The Army Acquisition Executive (AAE) or MDA (for ACAT III and IV programs) will provide final direction on program termination.

The Under Secretary of Defense, Acquisition and Technology (USD(A&T)) concurrence with termination of ACAT ID programs and the Assistant Secretary of Defense, Command, Control, Communications, and Intelligence (ASD(C3I)) concurrence with termination of ACAT IAM programs is necessary.

Criteria

A program may be terminated when any of the following criteria exist:

- 1. Presidential, Congressional, Department of Defense (DoD), or Army Leadership decision.
- 2. The program objectives cannot be achieved.
- 3. The program objective no longer meets the threat.
- 4. The technology no longer meets the operational requirement or is no longer economically supportable.
 - 5. Funding support is withdrawn.

Preparation and Procedure

When the decision is made to terminate a program but retain it in the PEO/MATDEV structure for continued centralized management without separate identity and no assets move outside of the PEO/MATDEV, the PM/WSM notifies HQDA, ATTN: SAAL-ZAC (for ACAT I and II programs) and the MDA (for ACAT III and IV programs) of the termination by memorandum/letter format. Notification should include the disposition of manpower assets and residual funding.

The PM initiates the termination plan in accordance with the sample format provided at Figure XI-1 when the decision is made to terminate a program from:

- 1. Centralized management and return it to a technology-based command for further development, or
- Transfer it to an Army system, logistics, or materiel command to complete the closeout process.

The plan is prepared in coordination with the organization to which management responsibility will be transferred.

In addition, the plan at Figure XI-1 should be submitted to the AAE / MDA for approval at least six months prior to the effective date of termination.

The PEO / Materiel Developer (MATDEV) and gaining organization coordinate on all aspects of the plan and ensure that the proper distribution of assets belonging to the program, including manpower spaces and personnel, is delineated in the plan. In the event that the PEO/MATDEV and gaining organization are unable to reach an agreement on distribution of assets, including manpower spaces and personnel, resolution is made at the HQDA (SAAL-ZAC) for ACAT I and II programs and the MATDEV or DSA for ACAT III and IV programs.

SAAL-ZAC reviews the termination plan prior to approval by a MDA other than the AAE for ACAT I and II programs.

SAAL-ZAC initiates action to notify the USD (A&T) or ASD (C3I) of and gain their concurrence in the termination of ACAT ID or ACAT IAM programs.

When the AAE is the MDA, SAAL-ZAC reviews and coordinates all proposals for the termination of programs and provides recommendations to the AAE. Once the AAE makes the decision to terminate, the Army Acquisition Executive Support Agency (AAESA) develops and issues all tasks and direction to the PEOs and MATDEVs to execute the AAEs decision. Unless the AAE directs a change, the program terminates on the approved date in accordance with the termination plan.

The PEO/MATDEV is responsible for ensuring that the planning, preparation, and tracking of the execution of termination activities result in an orderly program termination.

Sample Format Termination Plan

- 1. Purpose. Indicate name of program/system(s) to terminate, gaining command, and the effective date.
- 2. Program/System Description. Include function and technical description of the program/system to be terminated. Include the identification of salvageable technologies and other deliverables and any other pertinent issues that require approval.
- 3. Program Status. Include the life cycle phase.
- 4. Organizational Responsibilities. Identify those management responsibilities and tasks that the gaining organization will need to continue after termination. When appropriate, address any provisions required to facilitate the termination of the program/system from centralized management. Areas to be addressed in this paragraph include the following:

Item Documentation and Records

Configuration Management

Engineering Responsibility, Engineering Data and Technical Data Package

Logistics Support

Software Fielding, Replication, Distribution, and Maintenance

Transportation and Packaging

Product Assurance Responsibility

Safety

Human Systems Integration

Security Classification Guidance

Environmental Documentation

- 5. Assumptions.
- **6. Contract Status.** Open contracts/contractor(s)/time to completion/contract amount(s)/type dollars. Also include description of procurement activities, status of contracts, and contract-related responsibilities pertinent to the termination process. Address termination and/or modification of existing contracts to include termination costs and unliquidated obligations.
- 7. Funding summary. RDT&E/Procurement/OMA/Future-Years Defense Plan. Include portrayal of the overall budgeting and funding to include funds necessary for termination of the program and any anticipated future funding needs. Establish a timetable for withdrawal of program funds and address the status of all funding actions that have an actual or contingent liability.
- **8. Personnel Summary.** Include proposed disposition of all manpower spaces and personnel involved in the termination including those required for completion of close-out activities and those available for reassignment. When appropriate, include the schedule of proposed draw down of manpower spaces. Provide the personnel summary in the following formats:

MILITARY: (Current* Authorized)(On Board)(Required After**) Indicate if ODP/MAPL supported

Figure XI-1. Sample Format Program Termination Plan